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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

COMUSSAGE

CINCPAC

COGARD

TREASURY

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

JUNE 4 EA PRESS SUMMARY

INDOCHINA

1. NYT QUOTES SPOKESMAN ANDERSON'S DENIAL THAT US
MADE SECRET COMMITMENTS TO NVN AS PART OF C-F, AND
EXPLANATION THAT BOTH SIDES MADE STATEMENTS OF "INTENTIONS"
THAT DID NOT INVOLVE OBLIGATIONS BUT INTERPRETED
FORMAL AGREEMENTS AND PUT THEM IN SPECIFIC TIME FRAMES.
STATEMENTS WERE EVOKED BY QUESTIONS BASED ON SZULC

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ARTICLE IN "FOREIGN POLICY" ASSERTING THAT COMMITMENTS

MADE BUT NOT CARRIED OUT, INCLUDING REMOVAL WITHIN A YEAR OF ALL US CIVILIANS SUPPORTING SVN ARMED FORCES. NYT LATER OBTAINED DOS LEGAL DIVISION DOCUMENT THAT "SEEMED TO INDICATE THE CONTRARY" OF WHAT ANDERSON SAID. PARAGRAPH MARKED "SECRET" SAYS US ASSURANCES TO DRV THAT ALL CIVILIAN EMPLOYEES WORKING WITH SVN ARMED FORCES WILL BE WITHDRAWN WITHIN TWELVE MONTHS ARE "UNCLEAR" ABOUT WHETHER THEY APPLY TO EMPLOYEES OF US OR GVN CONTRACTORS. WHEN PARAGRAPH LATER READ TO ANDERSON HE SAID THAT HE WAS NOT ASKED QUESTIONS ABOUT US CIVILIANS, BUT ONLY ABOUT SECRET COMMITMENTS; IF ASKED ABOUT CIVILIANS HE WOULD HAVE SAID THAT "MOST" OF THE 900 CIVILIANS WORKING WITH

GVN ARE CONTRACT EMPLOYEES, AND ADDED THAT ALL US CIVILIANS TOTAL 4500 (SZLUC ARTICLE SAID 9000). ASKED WHY THE 900 HAD NOT BEEN WITHDRAWN, ANDERSON SAID THAT WE INTEND TO "IN THE CONTEXT OF SUBSTANTIAL COMPLIANCE" WITH C-F BY NVN; THAT DID NOT PROVE TO BE THE CASE. ADDED THAT SOME FACTS IN SZLUC ARTICLE ARE TRUE, SOME DISTORTED AND SOME UNTRUE.

2. WP'S BERGER SAYS THAT DOS IN "CAREFULLY CHOSEN WORDS" REITERATED THAT IT MADE NO SECRET COMMITMENTS DESPITE "SURFACING" OF 1973 PAPER BY GEORGE ALDRICH CONCERNING ENDING RECON FLIGHTS OVER NVN, WITHDRAWING US CIVILIANS FROM SVN, AND REPLACING F-5 AIRCRAFT. BERGER SAYS SZLUC BASED "FOREIGN POLICY" ARTICLE PARTLY ON ALDRICH PAPER THAT OUTLINES HOW C-F CAN BE IMPLEMENTED AND, IN SOME CASES, HOW SPECIFIC CLAUSES CAN BE "STRETCHED." QUOTES "SECRET" PARAGRAPH IN ALDRICH PAPER THAT WE ASSURED DRV THAT RECON ACTIVITIES OVER NVN "WILL CEASE COMPLETELY AND DEFINITELY"; COMMENTS THAT THIS ASSURANCE APPEARS TO BE A COMMITMENT DESPITE ANDERSON DENIAL THAT IT DOES NOT INVOLVE "ADDED OBLIGATIONS." ALDRICH PAPER ALSO RATIONALIZES REPLACEMENT OF F-5A BY MORE MODERN F-5E; SPOKESMAN ASSERTS THAT REPLACEMENT IS PERMISSIBLE, THAT F-5E IS ONLY MODEL NOW IN PRODUCTION, AND QUOTES DOD THAT THEY ARE "SUBSTANTIALLY UNCLASSIFIED

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SIMILAR."

3. HOUSE BY 273-0 VOTE PASSES "SENSE OF CONGRESS" RESOLUTION TO TELL NVN IT WILL GET NO AID, TRADE OR RECOGNITION BY US UNTIL IT COOPERATES FULLY IN ACCOUNTING FOR US MIAS. RESOLUTION, SENT TO SENATE FOR FINAL ACTION, IS NOT BINDING ON PRES. BUT INDICATES CONCERN OVER "FAILURE" OF NVN AND

VC TO LIVE UP TO C-F PROVISIONS. HFAC DRAFTED RESOLUTION, NOTED THAT US SEARCH TEAMS REPEATEDLY REFUSED ENTRY INTO COMMUNIST-CONTROLLED AREAS, DESPITE AGREEMENTS OF JAN. 27 AND JUNE 13, 1973 (WP; PHINQ). SENATE IS OPENING DEBATE ON ARMS BILL THAT INCLUDES 900 MILLION DOLLAR CEILING ON MIL AID FOR SVN, 700 MILLION UNDER ADMIN. REQUEST; HOUSE AUTHORIZED 1.126 BILLION (AP, BALTO N-A 6/3).

4. AIR AMERICA WILL CEASE FLYING FROM THAILAND ON JUNE 30. AIR AMERICA OFFICIALS DENY CHARGE OF THAI STUDENT GROUPS THAT IT HAS VIOLATED THAI LAW BY NOT PAYING 2 MILLION DOLLARS IN TAXES IT OWES TO RTG. MAINTENANCE DONE AT UDORN WILL BE TURNED OVER TO JOINT US AND THAI OWNED THAI AIRWAYS AIRCRAFT MAINTENANCE CO., LTD. (AP NYT, PHINQ). WP'S MCCOMBS AND BURGESS REVIEW AIR AMERICA PULLOUT AND TRANSFER OF OPERATIONS TO THAI-AM, THAT WILL OPERATE UNDER THAI LAW AND NOT HAVE PRIVILEGES AND IMMUNITIES ENJOYED BY AIR AMERICA THAT IRKED STUDENTS AND, ACCORDING TO POLITICAL OBSERVERS, MADE HIGH OFFICIALS EAGER FOR POLITICAL BENEFIT FROM "APPARENT" LESSENING OF US INFLUENCE. COMMENT THAT AIR AMERICA CARRIED OUT CLANDESTINE OPERATIONS IN LAOS WAR, NO LONGER NEEDED WITH C-F. QUOTE US EMBASSY VIENTIANE THAT ALL AIR AMERICA OPERATIONS IN LAOS WILL END TUESDAY, 60 DAYS AFTER C-F. STATE THAT AIR AMERICA STILL HAS MAINTENANCE FACILITY IN TAIWAN AND OPERATES IN SVN AND CAMBODIA, WHERE "RELIABLE" SOURCES SAY CONTRACT TO REPAIR GKR PLANES WILL BE SWITCHED TO THAI-AM. AIR AMERICA'S WASHINGTON HQ HAS NO COMMENT ON FUTURE OPERATIONS IN CAMBODIA OR OTHER PARTS OF ASIA. THAI-AM IS 70-PERCENT OWNED BY RTG DOMESTIC UNCLASSIFIED

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AIRLINE AND 30-PERCENT BY SUBSIDIARY OF AUTOMATION INDUSTRIES OF LA.

5. GVN MIL COMMAND SAYS COMMUNIST ROCKET ATTACK KILLS OVER 100 IN AND AROUND BIEN HOA AIR BASE. COMMUNIST SAPPERS ALSO SINK SK MERCHANT SHIP SIX MILES SW OF SAIGON. BATTLE CONTINUES NEAR BEN CAT. VC CHARGE THAT OIL EXPLORATION CONCESSIONS ISSUED BY GVN ARE "ILLEGAL" AND INVALID; CONCESSIONS ISSUED TO TWELVE US, AUSTRALIAN, JAPANESE AND OTHER FIRMS TO EXPLORE SVN CONTINENTAL SHELF (AP, SUN).

6. US EMBASSY VIENTIANE SPOKESMAN ANNOUNCES THAT LAST US MIL MAN WITHDRAWN FROM LAOS IN ACCORDANCE WITH C-F (UPI, NYDN). AT PEAK OF DECADE-LONG INVOLVEMENT,

BELIEVED THAT US TROOPS IN LAOS TOTALLED 600-700 (WP). LAST OF THAI TROOPS OUT OF LAOS, BUT NO EVIDENCE NVN HAS WITHDRAWN ANY OF 25-30,000 TROOPS (WP; AP SUN, PHINQ; CSM). "INFORMED" SOURCES SAY US WILL PROBABLY CONTINUE LAOS RECON FLIGHTS TO KEEP TABS ON NVN TROOPS (WP; AP, PHINQ).

7. ARBUCKLE (S-N 6/3), FROM VIENTIANE, REVIEWS HISTORY OF US MIL INVOLVEMENT IN LAOS, SAYS US HAS WITHDRAWN OVER 600 INCLUDING MIL ATTACHES, CIA PERSONNEL

AND PILOTS AND LOGISTICIANS; QUOTES LAO DEFENSE MINISTRY SOURCES THAT US HAS MET C-F PROTOCOL ON WITHDRAWAL IN CONTRAST TO HANOI'S FAILURE TO WITHDRAW "AT LEAST 30,000 COMBAT TROOPS." MENTIONS THAT EMMET KAY IS STILL PRISONER AND ABOUT "800 AMERICAN DEAD" REMAIN, THOUGH WASHINGTON HAS NEVER GIVEN CASUALTY FIGURES FOR LAOS. NOTES THAT NVN PRESSES PROPAGANDA CAMPAIGN AIMED AT FULL US WITHDRAWAL FROM THAILAND AND AT DIVERTING ATTENTION FROM ITSELF IN LAOS. QUOTES "OTHER SOURCES" THAT HANOI MIGHT INTEND TO LAUNCH FULL-SCALE ATTACKS SOON AS FREE OF POSSIBILITY OF US AIR STRIKES. COMMENTS THAT THAILAND WOULD LIKE TO NEGOTIATE NON-AGGRESSION PACT WITH HANOI USING REMAINING US FORCES AS BARGAINING CHIP. QUOTES UPI THAT END OF AIR AMERICA OPERATIONS UNCLASSIFIED

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FROM THAILAND IS PROFILE-LOWERING EXERCISE BY US.

8. MARKHAM (NYT), FROM VIENTIANE, QUOTES LAO MINDEF SISOUK THAT NVN TROOPS HAVE "WITHDRAWN INTO THE SCENERY" BUT HAVE NOT LEFT COUNTRY. NOTES THAT WESTERN ANALYSTS GUESSES OF NUMBER OF NVN TROOPS RANGE FROM 30,000 TO 55,000, PARTLY BECAUSE OF MOVEMENT ALONG HO TRAIL AND IN-AND-OUT OF SVN. QUOTES US ANALYST THAT PL ARE PARTIALLY REPLACING NVN TROOPS THAT FACE VIENTIANE TROOPS. SAYS NUMBER OF CHINESE TROOPS IN N. LAOS MAY RANGE FROM 3000 TO 30,000, BUT WITH COMPLETION OF ROAD NETWORK MOST ANALYSTS BELIEVE NUMBER IS DECLINING. PL ECON MINISTER CHARGES THAT NUMBER OF THAI AND US TROOPS NOT WITHDRAWN, MERELY "CAMOUFLAGED" AND US OFFICIALS REACT WITH MIXTURE OF "WEARINESS AND INDIGNATION." US PLANES BELIEVED FLYING RECON MISSIONS STILL, US OFFICIALS REDUCED FROM 1100 AT C-F TIME TO 472 NOW, AND EMMET KAY STILL HELD BY PL WHO SAY HE IS SPECIAL CASE, SINCE CAPTURED AFTER C-F AND NOT DURING WAR, AND THEY ARE STUDYING QUESTION BUT ARE NOT GOING TO KEEP HIM "FOREVER."

CHINA

9. LONDON OBSERVER REPORT FROM GANGTOK, SIKKIM (LAT JUNE 2) CITES OBSERVERS AS BELIEVING PRC HAS SHIFTED NUCLEAR TESTING BASE FROM LOP NOR TO NAGCHU REGION OF NORTH TIBET, OR AT LEAST TO HAVE GONE THROUGH MOTIONS OF HAVING DONE SO TO CONCEAL EXACT LOCATION. SOURCES BASE BELIEF ON FACT THAT NAGCHU ADMIN AREA, INCLUDING TOWN OF AMDO, WAS DECLARED PROHIBITED AREA; NONPERMIT HOLDERS - TIBETANS AND

CHINESE ALIKE - ARE NOT ALLOWED TO ENTER. EVEN PLA UNITS MUST DETOUR AROUND TOWN. MOREOVER, NEW CHINESE TOWNSHIP HAS BEEN BUILT AT KORMO, NEAR AMDO, AND NEW CHINESE ARRIVALS, SAID TO BE TECHNICIANS AND SCIENTISTS, HAVE SETTLED THERE.

10. AT FIRST ANNUAL NCUSCT MEETING IN WASHINGTON
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MONDAY, COUNCIL PRES. PHILLIPS CITED COMMERCE DEPT. PREDICTIONS THAT PRC-US TRADE WILL REACH 1.25 BILLION DOLS BY END OF 1974, THUS EITHER EQUALING OR SURPASSING SOVIET-US TRADE. PERSISTENT SURGE IN SINO-US TRADE, UP 500 MILLION DOLS OVER 1973, SEEMS TO INDICATE THAT WHATEVER MEANING OF PRC INTERNAL POWER STRUGGLE, RELATIONS WITH US ARE NOT PRINCIPLE ISSUE. IN FIRST THIRD OF 1974, PRC-US TRADE TOTALED 441 MILLION DOLS, WHILE SOVIET-US TOTALS WERE 336 MILLION DOLS. AND WHILE US HELD 2-1 EDGE IN TRADE WITH SOVIET, IT KEPT BETTER THAN 10 - 1 ADVANTAGE OVER CHINA. FOR 1974, PRC EXPORTS TO US MAY TOTAL 100 MILLION DOLS, WHEREAS US EXPORTS TO CHINA WILL REACH 1.15 BILLION DOLS (SUN, JOC; AP, WSJ).

11. NYT'S GELB, CITING FROZEN CHINESE ASSETS ISSUE AS IMMEDIATE STUMBLING BLOCK TO INCREASING PRC EXPORTS TO US, REPORTS US OFFICIALS SAYING THIS MATTER HAS BEEN SETTLED IN PRINCIPLE, AND THAT THEY DO NOT KNOW WHAT IS HOLDING UP ANNOUNCEMENT OF FINAL AGREEMENT. GELB SAYS WHILE ABSENCE MFN TREATMENT FOR PRC IS ALSO TRADE OBSTACLE, OFFICIALS CONTEND LONG-RANGE PROBLEM IS THAT CHINESE STILL DO NOT UNDERSTAND HOW TO PRICE, PACKAGE AND MARKET GOODS TO MAKE THEM COMPETITIVE IN FREE COUNTRY. ADDS THAT COMMERCE DEPT. OFFICIALS DO NOT KNOW WHY PEKING CONTINUES BUYING SUCH LARGE QUANTITIES OF AGRICULTURAL GOODS. THEIR THEORIES INCLUDE PRC'S CURRENT CONSUMPTION NEEDS, NEED TO REPLENISH RESERVES, AND DESIRE TO

FREE OTHER LAND TO PRODUCE MORE RICE FOR EXPORT.
OFFICIALS ARE THUS RELUCTANT TO PREDICT FUTURE.

12. NCUSCT'S PHILLIPS SAYS ONE OF STEPS BEING TAKEN TO CLOSE GAP IN SINO-US TRADE BALANCE WAS FORMATION LAST YEAR OF IMPORTER'S COMMITTEE, DESIGNED TO HELP SMALLER IMPORT COMPANIES DEVELOP CAPABILITY FOR TRADING WITH VARIOUS CHINESE EXPORT GROUPS. HE ADDED THAT IN ABSENCE OF PRC-US DIPLOMATIC RELATIONS, NCUSCT HAS BECOME "PRINCIPAL FOCAL POINT FOR TRADE" WITH CHINA (JOC).

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13. DOS' CHARLES FREEMAN PREDICTS THAT BY 1980 US-PRC TRADE WILL BE ABOUT 4 BILLION DOLS ANNUALLY. ADDS THAT PRESENT TRADE IMBALANCE WON'T DISAPPEAR, BUT SHOULD BE ON ORDER OF 3 BILLION DOLS IN EXPORTS TO CHINA AND 1 BILLION DOLS IMPORTED FROM CHINA. SAYS WHILE TRADE, CULTURAL EXCHANGES AND OTHER CONTACTS CONTINUE ADVANCE, LITTLE NEW GROUND IS BEING BROKEN IN POLITICAL FIELD (WSJ).

14. ANNOUNCEMENT OF SURGE IN US-PRC TRADE COINCIDED WITH FIRST PUBLIC APPEARANCE OF HUANG CHEN AND OTHER SENIOR PRC OFFICIALS MONDAY NIGHT AT NCUSCT BANQUET. GELB SAYS HUANG'S ATTENDANCE, WITH HAK, TENDED TO UNDERCUT SPECULATION THAT INTERNAL PRC UNCERTAINTIES ARE AFFECTING RELATIONS WITH US. IT ALSO SERVED AS REMINDER OF CONTINUING US-PRC BONDS AS PRES. PREPARES FOR JOURNEY TO MOSCOW. GELB REPORTS THAT HAK, AT RECEPTION BEFORE DINNER, SAID THAT "DESPITE REPORTS OF UPS AND DOWNS" IN SINO-US RELATIONS, "WE ARE FIRMLY ON COURSE." PHILLIPS TOLD BUSINESSMEN AT NCUSCT MEETING THAT BANQUET APPEARANCE OF PRC OFFICIALS BODES WELL FOR CONTINUED DEVELOPMENT OF US-CHINA TRADE (JOC).

15. NCUSCT ANNOUNCES THAT MARTIAL ARTS TROUPE FROM PRC, SPECIALIZING IN BOXING, SWORDSMANSHIP AND KUNG FU, WILL TOUR US LATER THIS MONTH. TROUPE WILL ARRIVE IN HONOLULU JUNE 21 AND VISIT SAN FRANCISCO, NY AND WASHINGTON DURING THREE-AND-A-HALF WEEK TOUR. REUTER (JUNE 3) REPORTS HUANG CHEN CONFERRED WITH HAK BEHIND CLOSED DOORS FOR ABOUT TEN MINUTES AT NCUSCT SEMINAR. QUOTES SECRETARY SAYING, "DESPITE UPS AND DOWNS, NORMALIZATION IS A PERMANENT AND ESSENTIAL ELEMENT OF OUR FOREIGN POLICY," AND HE EMPHASIZED THAT BOTH MAJOR US POLITICAL PARTIES HAVE BEEN SUPPORTING ADMINISTRATION INITIATIVES

TOWARDS PEKING.

16. FDA WARNS AGAINST USE OF IMPORTED CHINESE HERBAL MEDICINES THAT MAY CAUSE FATAL BLOOD DISEASE. MEDICINES IN QUESTION CONTAIN PHENYLBUTAZONE, AND FOUR KNOWN UNCLASSIFIED

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CASES CONFIRMED RECENTLY IN SAN FRANCISCO OF ILLNESS FROM TAKING ONE OR MORE CHINESE HERBAL MEDICATIONS (UPI, WP).

17. PRC-PRODUCED PEKING BJ 212 PLACED ON SALE IN HK AND IS ATTRACTING CROWDS OF CURIOUS SPECTATORS. PRC'S FIRST

EXPORT AUTO LOOKS LIKE STANDARD VEHICLE USED BY PLA AND SELLS FOR 6,000 DOLS IN HK (JOC'S STRAUSS).

18. JOC'S RYAN, IN PARIS, REPORTS FRANCE HAS LAUNCHED ANOTHER CONCERTED DRIVE TO CORNER LARGER SLICE OF GROWING CHINESE MARKET AND TO INCREASE ITS COMMERCIAL PENETRATION IN SEA.

19. IN TAIPEI, SUN'S SEIDEN REPORTS THAT RETURN TO "BUSTLING CAPTIAL" AFTER SEVEN-YEAR ABSENCE FINDS STRIKING ECONOMIC CHANGES. "ONCE UGLY, DIRTY CAPITAL" HAS BEEN CHANGED INTO "ALMOST PLEASANT CITY." FINDS NEW DOWNTOWN SKYSCRAPERS CREATING MODERN, WESTERN SKYLINE; POLLUTION CONTROLS HAVE IMPROVED CITY'S SMOG PROBLEMS, AND DIRT ROADS BROADENED AND PAVED. HOWEVER, IN SLUMS THAT STRETCH FOR MILES ACROSS RIVER FROM DOWNTOWN TAIPEI, HUNDREDS OF THOUSANDS STILL LIVE IN "UNRELIEVED MISERY," AND THERE SEEMS NO CHANGE IN STATE OF POLITICS "ON THIS BASICALLY ONE-PARTY ISLAND."

JAPAN

20. NIPPON STEEL CORP. SIGNS 330 MILLION DOLS CONTRACT TO SUPPLY PRC ROLLING MILL AND TRAINING FOR 300 CHINESE TECHNICIANS IN JAPAN, ACCORDING NCNA (AP PHINQ, SUN; WSJ).

21. GAIMUSHO ANNOUNCES GOJ HAS NOTIFIED US THAT NUCLEAR SUBS MAY VISIT YOKOSUKA. VISITS HAD BEEN SUSPENDED SINCE FEB. 20 AT GOJ REQUEST AFTER JAPANESE SCIENTIFIC INSTITUTE HAD FALSIFIED DATA ABOUT RADIOACTIVITY AT YOKOSUKA AND OTHER PORTS (WP).
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22. KYODO POLL SHOWS SUPPORT FOR TANAKA DROPPED FROM 21 TO 19 PERCENT IN PAST FIVE MONTHS (AP, WP). NYT'S HALLORAN, IN TOKYO, SEES LDP "CLEARLY RUNNING SCARED" IN JULY 7 ELECTION. SAYS ELECTION IS VITAL NOT ONLY TO PARTY, BUT ALSO TO TANAKA WHO MUST LEAD PARTY TO WIN OR BE CONFRONTED WITH DEMANDS TO STEP DOWN, AND WHO NEEDS VICTORY TO ENHANCE HIS OWN CLAIM TO RE-ELECTION. FEELS TANAKA'S MAJOR HOLD ON OFFICE APPEARS ABSENCE OF ANY OTHER CANDIDATE WITH ENOUGH STRENGTH IN LDP TO OUST HIM. SAYS FORECAST IS THAT LDP WILL "BARELY" HOLD ITS OWN WHILE COMMUNISTS WILL SCORE BIG GAINS AT EXPENSE OF OTHER OPPOSITION PARTIES.

23. TASS BRANDS AS "ABSURD FABRICATIONS" REPORTS THAT SOVIET HAS LOST INTEREST IN SELLING JAPAN SIBERIAN OIL. CSM'S GRULIOW, IN MOSCOW, NOTES TASS STATEMENT DID NOT MENTION TYUMEN PIPELINE, BUT SPOKE ONLY OF "FUTURE OPPORTUNITIES" FOR OIL TRADE. SUN'S PARKS, IN MOSCOW, OBSERVES THAT TASS STATEMENT DID NOT CLARIFY WHAT SOVIET OIL MINISTER SHASHIN MEANT LAST WEEK, NOR DID IT ASSERT THAT SOVIET IS IN FACT PLANNING TO SIGN ANY LARGE LONG-TERM OIL DEALS. PARKS FEELS SHASHIN "EFFECTIVELY KILLED WHATEVER LIFE WAS LEFT" IN SOVIET REQUEST FOR NEARLY 2 BILLION DOLS IN JAPANESE CREDITS TO BUILD PIPELINE FROM TYUMEN.

24. JAPAN AND SOVIET SIGN AGREEMENT UNDER WHICH GOJ WILL GRANT KREMLIN 450 MILLION DOLS IN CREDITS FOR 104.4 MILLION TONS OF SOVIET COAL FROM 1979 - 1980 -- THEIR LARGEST DEAL YET IN DEVELOPING SIBERIAN RESOURCES (AP WSJ, WP, PHINQ).

25. OBERDORFER (WP), IN TOKYO, REPORTS JAPANESE TEXTILE INDUSTRY IS CURRENTLY IN ITS WORST DEPRESSION IN MANY YEARS DUE TO OVERPRODUCTION, STAGNANT DEMAND, SHARPLY RISING COSTS AND GROWING IMPORTS. SO, THIS FORMER "ZEALOUS ADVOCATE OF FREE TRADE" HAS BEGUN TO DEMAND THAT TOKYO IMPOSE IMPORT RESTRICTIONS.

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REUTER'S KOIKE, IN TOKYO, SAYS JAPAN'S SHIPBUILDING INDUSTRY, WORLD'S LARGEST, IS LOSING ITS COMPETITIVE POWER BECAUSE OF INFLATION THAT HAS HIT COUNTRY.

OVERSEAS AND EVEN DOMESTIC SHIPOWNERS ARE TURNING TO FOREIGN SHIPYARDS, PARTICULARLY IN WE.

KOREA

26. KIM DAE JUNG SAYS HE WILL "ALMOST SURELY" OBEY COURT SUMMONS RECEIVED OVER WEEKEND. CONFIRMS THAT SUMMONS CONCERNS ALLEGED CAMPAIGN ELECTION VIOLATIONS IN 1967 AND 1971, AND STATES: "I DON'T THINK I'M IN SERIOUS TROUBLE BECAUSE THE CHARGE IS A MINOR ONE." IN PHONE INTERVIEW FROM TOKYO, KIM MAINTAINS HE WILL HAVE TO CONSULT HIS LAWYER BEFORE DECIDING FOR SURE ON BEST WAY TO RESPOND TO SUMMONS (SUN).

27. IN OHJON, NYT'S HALLORAN WRITES OF SK LEPERS WHO ARE SURRENDERING THEIR CHILDREN FOR ADOPTION IN US, UNDER "OPERATION OUTREACH," IN "EFFORT TO RESCUE THEM FROM AN ALMOST CERTAIN LIFE OF MISERY IN KOREA." ARRANGING FOR EIGHT CHILDREN INVOLVED TO LIVE IN LONG ISLAND, PUTNAM COUNTY AND WASHINGTON,

DC HAS TAKEN TWO YEARS "AND HAS NOT BEEN EASY." MAIN QUESTION IN US HAS BEEN WHETHER CHILDREN CARRY DREADED DISEASE; BEST MEDICAL ADVICE SAYS THEY DO NOT. HALLORAN NOTES LEPROSY IS CLASSIFIED AS LEAST CONTAGIOUS OF COMMUNICABLE DISEASES, AND THERE IS NO EVIDENCE SUSCEPTIBILITY IS INHERITED.

PHILIPPINES

28. GOP BEGINS MOVING MORE THAN 1,000 SQUATTERS FROM SUBIC BAY. US AUTHORITIES HAVE BEEN TRYING SINCE 1968 TO REMOVE THEM; SOME HAVE LIVED THERE ALMOST 20 YEARS (WP).

AUSTRALIA

29. SOUTHERLAND (CSM), IN CANBERRA, REPORTS COUNTRY UNCLASSIFIED

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IS HAVING TROUBLE CONVINCING ITS ASIAN NEIGHBORS THAT DAYS OF RESTRICTIVE "WHITE AUSTRALIA" ARE FINISHED. DOUBTS SEEM GREATEST IN PHILS, ROMULO RECENTLY TOLD AUSSIE INTERVIEWER. SKEPTICISM WAS REVIVED EARLIER THIS YEAR WHEN AUSTRALIAN TRADE UNIONS QUESTIONED MOTOR CORPORATION'S PLAN TO RECRUIT FILIPINO AUTO WORKERS. SOUTHERLAND FINDS IT UNLIKELY THAT THERE WILL BE ANY DRAMATIC INCREASE IN NUMBER OF ASIANS OR OTHER NONWHITES SETTLING IN AUSTRALIA, BUT POSSIBLY THEIR PERCENTAGE WILL INCREASE IN RELATION TO TOTAL

NUMBER OF IMMIGRANTS BECAUSE TOTAL NUMBER HAS DECLINED SINCE WHITLAM GOVT. CAME TO POWER. FUTURE IMMIGRATION LEVEL MAY DEPEND TO CERTAIN DEGREE ON FINDINGS OF STUDY INTO GROWTH OF AUSSIE POPULATION NOW BEING CONDUCTED BY PROF. BORRIE OF AUSTRALIAN NATIONAL U.

MACAO

30. NEW LISBON GOVT. SUSPENDS MACAO MILITARY COMMANDER AND DEPUTY AND ORDERS THEM HOME; NO EXPLANATION GIVEN (AP, NYT). LATER, TWO MAJORS ARRIVING FROM LISBON TOLD PUBLIC MEETING PORTUGAL WILL ACCEPT GOVT. ELECTED BY MACAO PEOPLE, EVEN IF PEOPLE CHOOSE FASCISM OR COMMUNISM (WP).

INDONESIA

31. JAKARTA NEWSPAPER QUOTES TIMOR MILITARY GOVERNOR THAT PLEBISCITE WILL DETERMINE FUTURE OF 600,000 INHABITANTS (WP).

COMMENT AND ANALYSIS

VIETNAM

32. LAT'S MCARTHUR (JUNE 3) IN SAIGON WRITES ON ECON MALAISE AND CORRUPTION IN SVN. OBSERVES THAT THIEU HAS PROCLAIMED THAT COUNTRY IS IN A CRISIS, AND TRAVELS BY COPTER TO MIL POSTS TELLING SOLDIERS TO FIGHT HARDER WITH LESS BULLETS. IT IS AN UNPOPULAR UNCLASSIFIED

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MESSAGE FROM MAN WHO HAS ALWAYS LACKED POPULARITY, BUT WHOSE RULE IS NOW WIDELY IF GRUDGINGLY ACCEPTED. LIKE MOST POLITICIANS, THIEU LARGELY IGNORES LIKELIHOOD THAT MANY TROUBLES STEM DIRECTLY FROM HIS OWN OFTEN-INEPT AND TAINTED BUREAUCRACY. ON OTHER HAND, SVN IS NOT ALONE IN HAVING ECON PLANNING OVERWHELMED BY STUNNING LEAP IN OIL PRICES - NOT TO MENTION SOME 250,000 N VIET SOLDIERS DISTURBING PEACE.

SVN SENATOR COMPLAINS "WE CANNOT SURVIVE WITHOUT HELP," NOTING THAT USSR AND PRC CONTINUE TO POUR ARMS, FOOD AND MACHINERY TO NVN. HE ADDS WITH CONVICTION AND FAITH THAT "AMERICA WILL NOT ABANDON US - NOT FOR A DECADE, EVEN TWO DECADES." SUCH TALK FROM VIET OFFICIALS BRINGS SHUDDERS AT US EMBASSY, AS DO SOME OF AMBASSADOR MARTIN'S IDEAS. MARTIN PROPOSES THAT US FINISH WHAT IT SET OUT TO DO. THIS, HE

HAS SAID, "IS TO LEAVE VIETNAM ECONOMICALLY VIABLE, MILITARILY CAPABLE OF DEFENDING ITSELF WITH ITS OWN MANPOWER, AND ITS PEOPLE FREE TO CHOOSE THEIR OWN GOVERNMENT AND THEIR OWN LEADER."

MARTIN HOLDS THAT THIS CAN BE ACCOMPLISHED RATHER QUICKLY AND ADDS THAT ECON AID "COULD BE DRASTICALLY REDUCED OR EVEN ELIMINATED ALTOGETHER" IN TWO YEARS. AMONG OTHER THINGS, MARTIN BASED HIS PROJECTION ON CONGRESS VOTING 1.5 BILLION DOLS IN ECON AID OVER NEXT TWO YEARS. HE ALSO PROJECTED A QUANTUM IMPROVEMENT IN SVN ECONOMY, WHICH IS ALSO DOUBTFUL, AND PRESUPPOSED MIL AID AT OR ABOVE PRESENT ANNUAL SCALE OF 1.1 BILLION DOLS.

WHATEVER THE DOUBTS OF OTHERS, MARTIN IS SAID TO HAVE BEEN TELLING VISITORS HE IS FIRMLY CONVINCED HIS PLAN CAN WORK. FAR FROM WANTING DEEPER ENTANGLEMENT IN SVN, MARTIN IS SAID TO HAVE PRIVATELY REMARKED, "I WANT OUT." BUT HE WANTS TO LEAVE A SEAWORTHY CRAFT, NOT A SINKING SHIP.

PREVIOUSLY NOTED FOR A STYLE THAT WAS ALMOST CLANDESTINE, MARTIN IS OBVIOUSLY OUT ON A PUBLIC LIMB. THERE IS NO UNCLASSIFIED

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EVIDENCE THAT HE IS UNCOMFORTABLE, DESPITE PROSPECT OF HEATED CONGRESSIONAL QUESTIONING ON HIS RETURN TO WASHINGTON IN NEXT FEW WEEKS. ALTHOUGH HE HAS GIVEN IMPRESSION OF SHOOTING FROM HIP IN SOME RECENT CONTROVERSIES, HE IS METICULOUS AND HAS BEEN MUSTERING ARGUMENTS FOR VN AID FOR MONTHS.

33. SUN CONSIDERS ECON AID FOR EGYPT AND SPECIAL FUNDS FOR SYRIA AS LOGICAL FOLLOW-ON HAK'S ME DIPLOMACY; SO LOGICAL THAT IT SUSPECTS ADMIN WILL TRY TO HAVE 750 MILLION DOL INDOCHINA AID PROPOSAL RIDE PIGGYBACK ON EGYPTIAN-SYRIAN REQUEST. HAK CAN BE EXPECTED TO ARGUE BEFORE CONGRESS THAT ONLY WITH HUNDREDS OF MILLIONS OF US AID DOLLARS WILL GVN BE ABLE TO FUND IMPORTS TO MAINTAIN UPWARD CLIMB IN EXPORTS. BUT THIS ARGUMENT IGNORES REPEATED EVIDENCE OF DIVERSION OF FUNDS TO MIL USES OR, WORSE, TO POCKETS OF GENERALS. NO MATTER WHAT HAK'S STAR QUALITY MIGHT BE, CONGRESS WOULD BE WISE TO CURTAIL ECON AID TO VN AND INSIST ON TIGHTER POLICING OF PROGRAM.

34. LAT'S AVERILL (JUNE 1) IN ARTICLE DATELINED WASHINGTON CITES REPORT TO SFRC FROM COMMITTEE INVESTIGATORS MOOSE AND MEISSNER THAT "MANY OBSERVERS IN SAIGON BELIEVE

THE SOUTH VIETNAMESE ARE DELIBERATELY EXAGGERATING SCALE AND SERIOUSNESS OF ENEMY ACTIVITIES TO INFLUENCE THE ACTION OF CONGRESS ON PENDING AID LEGISLATION." M-M SAY THAT WHILE THEY NOT IN POSITION TO ATTEST TO VALIDITY OF OBSERVERS' INTERPRETATION, IT SEEMS HIGHLY PROBABLE AND WHOLLY CONSISTENT WITH GVN'S APPROACH TO AID QUESTION.

THAILAND

35. GLOBE'S CROCKER SNOW (JUNE 2) IN BANGKOK REVIEWS DEVELOPMENTS IN RTG AND SEES UNCERTAINTIES BEING MAGNIFIED BY CARETAKER GOVT'S. ERRATIC RESPONSE TO WORLD AROUND IT. RTG HAS SENT SEVERAL ENVOYS TO CHINA, HINTED OPENLY THAT IT WOULD LIKE TO BEGIN TALKS WITH NVN, AND MOST RECENTLY ENDORSED VISIT BY NK TRADE MISSION TO BANGKOK. THESE APPEAR TO UNCLASSIFIED

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BE PRAGMATIC STEPS TOWARDS BETTER RELATIONS IN POST-VN ASIA AND MEANS OF QUELLING HANOI-INSPIRED COMMUNIST INSURGENT MOVEMENTS IN NORTH THAILAND. BUT APART FROM FULL WITHDRAWAL OF THAI FORCES FROM LAOS, ALL THAILAND'S TALK OF LOCALIZED DETENTE RESULTED IN LITTLE CONCRETE

CHANGE. APPARENTLY, THE MAJOR IMPEDIMENT TO IMPROVED RELATIONS WITH COMMUNIST WORLD IS CONTINUED PRESENCE OF MAJOR US AIR UNITS IN THAILAND.

PLANS ANNOUNCED TO BRING NUMBER OF US MIL PERSONNEL DOWN TO 28,000 BY 1975, WITH EXPECTATIONS OF FURTHER GRADUATED REDUCTIONS FROM THAT POINT. US OFFICIALS EXPECT CONSTANT PRESSURE TO REDUCE LEVELS BELOW PROJECTED 28,000, BUT AS FOR COMPLETE WITHDRAWAL OF ALL FORCES, THEY INSIST THAT US AIR UNITS WILL STAY ONLY AS LONG AS THEY ARE WANTED BY THAI OFFICIALS.

SNOW CITES TENTATIVE THAI FOREIGN POLICY AS BEST ILLUSTRATED BY THANAT KHOMAN, FM DURING PERIOD OF BIG US BUILDUP. ONCE OUT OF OFFICE, HE BEGAN PROMOTING DETENTE WITH CHINA AND NVN AND AN END TO US PRESENCE. ACCORDING SNOW, THANAT KHOMAN HAS APPARENTLY CHANGED POSITION SINCE GIVEN PORTFOLIO AS POLICY ADVISER TO PM. THANAT SAID: "THE US JUSTIFICATION FOR ITS PRESENCE HERE HAS ALWAYS BEEN DUE TO INDOCHINA. NOW IT HAS MOVED INTO ANOTHER AREA OF US INTEREST, THE SITUATION IN THE INDIAN OCEAN. I ASK MYSELF HOW US BASES IN THAILAND TO SUPPORT A LITTLE NAVAL BASE CALLED DIEGO GARCIA FAR AWAY IN THE INDIAN OCEAN MEETS THE NATIONAL INTEREST OF THAILAND." PRESSED WHETHER THIS MEANT THAT HE FEARS

WASHINGTON'S NEGLECT OF THE SITUATION IN THAILAND AND INDOCHINA MORE THAN HE FAVORS FULL US WITHDRAWAL, THANAT SAID HE NEVER ADVOCATED COMPLETE US WITHDRAWAL, BUT RATHER "RELATIONS MUST BE IN SUCH A WAY AS TO HELP AND NOT HINDER US."

SNOW VIEWS THANAT'S CAUTION AS SUPPORTING CONTENTION OF MANY US OFFICIALS IN EA THAT WHILE US PRESENCE IN THAILAND IS AN IRRITANT FOR THE GOVT., IT IS AN IMPORTANT SECURITY TOOL. AMBASSADOR UNGER, NOW IN TAIWAN, UNCLASSIFIED

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HAS ARGUED THAT US PRESENCE AT LOW LEVEL GIVES RTG BOTH FLEXIBILITY AND BARGAINING POINT IN SEEKING ACCOMMODATION WITH COMMUNIST NEIGHBORS. SNOW REMARKS THAT BOTH THANAT'S VIEW AND UNGER'S ANALYSIS OF IT POINT OUT THE TWO-ENDS-AGAINST-THE-MIDDLE POSTURE OF THE COUNTRY.

36. HENRY J. TAYLOR (BALTO N-A JUNE 3) SAYS STATE DEPT. SEES TROUBLE AHEAD FOR OUR THAI BASES, WITH PROSPECT OF OUR SEA MILITARY POSITION COLLAPSING LIKE A HOUSE OF CARDS. DOS INTELLIGENCE KNOWS THAT THAI ARMY HAS ONLY 160,000 MEN TO PROTECT US BASES AND STOP ARMED, ORGANIZED COMMUNIST INFILTRATION. SEES COMBINATION OF INSURGENCY, STUDENT CHALLENGE TO RTG AND CORRUPTION THREATENING VITAL BASES.

CHINA

37. LAT'S ELEGANT (JUNE 2) IN HK SEES PRC'S DEEP ENTHUSIASM FOR WE AND THIRD WORLD ILLUMINATING CHINA'S FOREIGN POLICY DESIGN, WHICH BASED ON WHOLEHEARTED FEAR OF USSR AND WARINESS OF FRIENDSHIP WITH US. OBSERVES THAT IN LOOKING FOR ALTERNATIVE FORCES IN WORLDWIDE POWER STRUGGLE, PEKING IS FINDING WORLD MUCH MORE COMPLEX PLACE THAN IS DESCRIBED IN ITS SIMPLISTIC PHILOSOPHY. HOWEVER, CHINESE ARE GRADUALLY ADJUSTING TO THAT REALITY BY CASTING OFF DOGMAS ONCE PROMULGATED BY MAO. THEY STILL HAVE LONG WAY TO GO, SINCE THEY SEEM TO BE SUBSTITUTING NEW ILLUSIONS FOR OLD. BUT FOREIGN POLICY, AFTER ALL, NOTES ELEGANT, IS END PRODUCT OF INTERACTION OF REALISTIC ASSESSMENTS, DOMESTIC POLITICAL PRESSURES, WISHFUL THINKING AND IDEOLOGICAL RHETORIC.

ACCORDING ELEGANT, PRESSURE FROM CHINESE LEFT HAS RECENTLY ALTERED OUTWARD FORM OF SINO-US RELATIONSHIP SLIGHTLY AND IMPELLED PEKING TO SEEK MUCH GREATER INFLUENCE IN THIRD WORLD THAN CAN BE REALISTICALLY ATTAINED. WISHFUL THINKING HAS BRED ILLUSION THAT WE CAN BE UNITED FORCE FREE OF US INFLUENCE. REALISM

WILL, PRESUMABLY, ASSERT ITSELF IN CRUNCHES, WHILE
REVOLUTIONARY RHETORIC IS CONSTANT FACTOR IN PRC'S
RELATION WITH OUTSIDE WORLD. LEFTISTS FEAR IDEOLOGICAL
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CONTAMINATION FROM EXCESSIVELY INTIMATE RELATIONS
WITH WE AND US, WARNING THAT CHINA COULD BECOME
"BOURGEOIS" COUNTRY LIVING UNDER CONCEALED FORM
OF CAPITALISM IF IT DEPENDS TOO MUCH ON WESTERN
TECHNOLOGY AND TRADE.

DRIVE TOWARD THIRD WORLD IS NATURAL CONSEQUENCE
OF SUCH MISGIVINGS. CHINESE HAVE VIRTUALLY ABANDONED
COMMITMENT TO "WORLDWIDE LIBERATION THROUGH PEOPLE'S
WAR," THOUGH NOT RHETORIC OF THAT COMMITMENT. THEY
CANNOT ADMIT TO THEMSELVES THEY MUST IN FUTURE INVARIABLY
PLACE NATIONAL INTEREST ABOVE "CLASS SOLIDARITY."
AMBITION ALSO AFFECTS PRC THINKING, SEEING ITSELF
AS FIRST AMONG EQUALS OF DEVELOPING NATIONS, INDIA
NOTABLY EXCEPTED. PEKING IS, THEREFORE, RELUCTANT
TO ACKNOWLEDGE FULL REALITY OF SPLINTERED THIRD
WORLD CONTENDING AMONG ITSELF. IN PRACTICE, HOWEVER,
CHINA HAS ACTUALLY RECOGNIZED THAT REALITY. ONCE
UNDISCRIMINATING SUPPORTERS OF MOST EXTREME ARAB
FORCES, CHINESE HAVE BACKED AWAY FROM THAT POSITION
BECAUSE THEY SAW USSR WAS MANIPULATING ARAB NATIONALISM
FOR ITS OWN PURPOSES.

CHINESE DREAM OF UNITED WE FREE OF USSR AND US
INFLUENCE ENDURES DESPITE EMERGENCE ON POLITICAL
SCENE OF LEADERS IN UK, FRANCE AND FRG, WHO ARE
INCLINED TOWARD STRONGER TIES WITH US. CHINESE
APPROACH IS ALSO INHERENTLY SELF-CONTRADICTIONARY, FOR
PEKING ACTIVELY ENCOURAGES BOTH WE INDEPENDENCE OF
US AND CONTINUING US-EUROPEAN MILITARY COOPERATION
THROUGH NATO. CHINESE STILL BELIEVE THAT WE WITHOUT
CLOSE US TIES CAN BE EFFECTIVE BASTION AGAINST USSR
EXPANSIONISM. DESPITE PREPONDERANCE OF THEIR TRADE
WITH JAPAN AND US, THEY STILL ENVISION CHINESE WORKING
PARTNERSHIP WITH SUCH A EUROPE. AND PEKING BELIEVES
WE-PRC AXIS CAN BE MAJOR NEW FORCE IN INTERNATIONAL
POLITICS.

ELEGANT COMMENTS THAT REALISM SHOULD, IN TIME, SWEEP
AWAY ILLUSIONS ABOUT THIRD WORLD AND WE - AS IT HAS
ALREADY SWEPT AWAY MANY ILLUSIONS ABOUT ME. BUT
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PEKING CANNOT SHAPE WHOLLY REALISTIC AND JUSTIFIABLY SELF-INTERESTED FOREIGN POLICY UNTIL FESTERING STRUGGLE FOR SUPREME POWER OF MAO IS FINALLY RESOLVED. AND THAT STRUGGLE COULD CONTINUE LONG AFTER MAO'S DEATH.

GENERAL

38. GLOBE'S (JUNE 3) CROCKER SNOW STOPPING IN TEL AVIV REPORTS IMPRESSION THAT WATERGATE IS NO LONGER ENTERTAINING SPECTATOR SPORT IT ONCE WAS FOR MANY ASIANS, BUT HAS BECOME WEIGHTY POLITICAL ISSUE. MORAL JUDGMENTS VARY, DEPENDING IN PART ON COUNTRIES' RELATIONS WITH US AND LEADERS' PERSONAL RELATIONS WITH PRES. OPINION LEADERS IN EA COUNTRIES SUCH AS ROK, PHILS, AND SVN, WHO HAVE BEEN SLIGHTLY WOUNDED BY NIXON DOCTRINE BUT RELIANT ON US SUPPORT OVERALL, ARE AMBIVALENT. ASIAN OFFICIALS REFLECT DIFFERENT DEGREES OF CONTINGENCY THINKING ABOUT HOW CHANGE IN PRESIDENCY MIGHT AFFECT US REGIONAL AND BILATERAL AFFAIRS. LEADERS AND SOURCES IN POLITICALLY SENSITIVE CAPITALS OF TOKYO, SINGAPORE, BANGKOK TAKE EVERY OPPORTUNITY TO QUIZ VISITING AMERICAN JOURNALISTS ABOUT IMPEACHMENT PROCESS AND POSSIBLE IMPEACHMENT TIMETABLE. NEWSPAPERS NO LONGER RELISH SPECTACLE OF SCANDAL IN HIGH OFFICE THAT SUSTAINED WATERGATE STORY ON FRONT PAGES YEAR AGO. NOW TONE IS SERIOUS AND SOLEMN, LOOKING AT QUESTION OF HOW CHANGE IN WASHINGTON LEADERSHIP MIGHT

BE FELT LOCALLY. PARTICULAR ATTENTION IS PAID TO WHETHER RESIGNATION OR IMPEACHMENT OF PRES WOULD UNDERMINE DETENTE.

FEW US EMISSARIES VOLUNTEER TO SPEAK FOR ATTRIBUTION ABOUT WATERGATE, LEAST OF ALL TO US NEWSMEN. BUT IN PUBLIC APPEARANCES, THEY ARE OFTEN COMPELLED TO OFFER SOME REACTION OR RESPONSE. PREVAILING TONE SEEMS TO HAVE BEEN SET IN HK LAST APRIL BY BUTZ, WHO SAID: "MUCH OF THE CURRENT CONTROVERSY IS ESSENTIALLY POLITICAL IN CHARACTER. IT'S TRUE AS SOME PEOPLE ARGUE THAT HE'S RESPONSIBLE FOR A FEW BAD EGGS IN THE BASKET, BUT HE'S ALSO RESPONSIBLE FOR HENRY KISSINGER." IN MANILA, UNCLASSIFIED

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AMB. SULLIVAN MEETING GROUP OF PHILIPPINE COLLEGE STUDENTS ABOUT SAME TIME "OFF THE RECORD," SAID WATERGATE CHARGES COULD BE INTERPRETED AS POLITICAL, PROMPTED BY DEMOCRATS HOPING TO GAIN GROUND IN NOV. CONGRESSIONAL ELECTIONS.

SNOW SAYS US AMBASSADORS INSIST THERE HAS BEEN NO GUIDANCE
WHATSOEVER FROM WASHINGTON ON HOW TO RESPOND TO WATERGATE
QUESTIONS. AMBASSADORS SAY THIS IN ITSELF IS UNUSUAL,
AND STRESS THAT DESPITE DEEP INTEREST, WATERGATE IS NOT
MATTER OF CONSTANT AND CONTINUING CONCERN FOR MOST ASIAN
GOVTS. CITES ONE US AMBASSADOR THAT WATERGATE "ALL
SEEMS SLIGHTLY PETTY AND UNIMPORTANT TO A PEOPLE WHO ARE
FIGHTING FOR THEIR NEXT MEAL AND A GOVERNMENT THAT IS
BATTLING FOR ITS OWN POLITICAL LIFE." KISSINGER

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